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Saving Elvis: A Case for Pet Insurance

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Saving Elvis: A Case for Pet Insurance

BY ASHLEY BERKE

Four years ago, Michelle Cammarota received a year's worth of pet insurance as a gift. After failing to reach the \$500 deductible, she contemplated the usefulness of the insurance. When faced with the decision to renew or not, she opted to sign up simply because the monthly fee was so inexpensive. But she was skeptical that she would ever truly benefit from the coverage. Last May, that thought completely disappeared from her mind.

ELVIS' STORY

Michelle awoke one morning in May to find her eight-year-old Pug, Elvis, lying listless on the floor with his head severely tilted, tongue out, and eyes unfocused. Assuming he had suffered a stroke, Michelle rushed Elvis to the Emergency Room at Penn Vet's Ryan Hospital, where an MRI revealed that he had a severe inner ear infection.

Elvis was given an ear flush and was treated with multiple medications for the infection. After being held overnight, he was sent home. A few weeks later, while recovering from the ear infection, Elvis became nauseated and depressed. Once again, Michelle brought him to Ryan Hospital, where a number of tests and an ultrasound showed that he had acute pancreatitis. Immediate surgery was required.

Elvis recovered wonderfully, but his bills amounted to thousands of dollars.

"Thank God I renewed the pet insurance! Without it, I would have been in extreme debt," explains Michelle. "I think everyone who has a pet should have insurance. It is very inexpensive and can end up saving you thousands of dollars and, more importantly, it can help you save your pet's life!"

Despite powerful testimonials like Michelle's, only about one percent of pet owners in the United States insure their animals.

A BRIEF HISTORY

In 1982, the first pet insurance policy was sold in the US to protect America's favorite heroic dog Lassie. Until 1997, one pet insurance agency serviced American pet owners. Today, 11 companies insure dogs and cats in the US.

Early policies functioned as defined benefit plans. If

an animal needed a specific procedure, the insurance company would cover a certain amount, but only in the event that the animal was insured for that particular procedure. Additionally, the amount of money available for such procedures was the same regardless of geographic location, despite the discrepancy in veterinary fees in rural versus urban areas.

During the first 25 years of pet insurance in the US, the uptake of insured dogs and cats rose to merely 0.39 percent. Today, approximately one percent of American pet owners insure their animals, compared to over 40 percent in the United Kingdom and 70 percent in Sweden, where pet insurance has been well-established for decades.

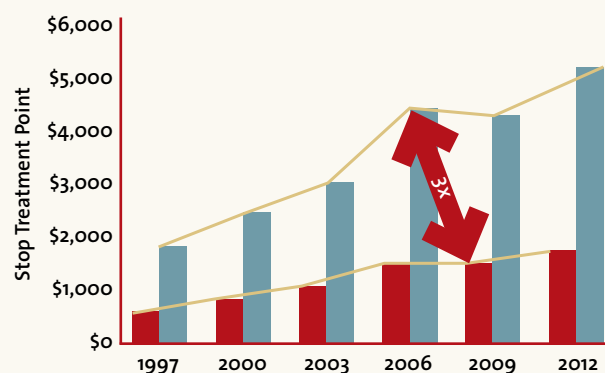
When faced with monthly payments to insure our homes and cars from potential damage, most Americans don't think twice. So what factors might lead to an increased uptake of pet insurance in the US?



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Medical insurance for your pet.

Estimated dollar amount at which clients would stop treatment

■ Non-Insured ■ Insured



State of the Profession 2012 Survey – DVM Newsmagazine; Trupanion Inc. Data 2012.

There are more pet insurance companies than ever in the US, each offering different value propositions. It is important to do your own research before purchasing a policy to see which plan makes the most sense for your situation. The following list includes some of the larger pet insurance companies.

LARGER PET INSURANCE COMPANIES

24PetWatch Pet Insurance
www.24petwatch.com/petinsurance

AKC Pet Healthcare
www.akcpethealthcare.com

ASPCA Pet-Health Insurance
www.aspcapetinsurance.com

Embrace Pet Health Insurance
www.embracepetinsurance.com

Pets Best Pet Insurance
www.petsbest.com

Petplan Pet Insurance
www.gopetplan.com

PurinaCare Pet Health Insurance
www.purinacare.com

Trupanion Pet Insurance
www.trupanionpetinsurance.com

Veterinary Pet Insurance
www.petinsurance.com

YOUR CHECKLIST FOR COMPARING POLICIES

- What is covered: accident, accident and illness, wellness?
- Can you see a veterinarian of your choice?
- Are visits to specialists or emergency clinics included?
- Is there a deductible? (An amount you must pay before any reimbursement.)
- Can you choose your preferred deductible?
- Is there co-insurance? (A percentage amount you must pay of each and every claim.)
- Are congenital and/or hereditary conditions included?
- Is there a "usual and customary" fee schedule?
- How much are the policy dollar limits: Per illness? Per year? Per lifetime?
- Do premiums go up if my pet becomes ill, or as it ages?
- Are chronic illnesses covered or are they regarded as being pre-existing at the policy anniversary?

MANAGING RISK

As remarkable advances are made in veterinary medicine, pet owners are often torn between ethical and financial decisions.

"In the past, credit card companies were the biggest competitors to pet insurance companies," says Peter Beaumont, veterinarian and Chairman of Trupanion Pet Insurance's Veterinary Advisory Board. "However, as veterinary capabilities have increased, resulting in rising costs, and as disposable income has decreased, veterinary bills often exceed the capacity of someone's credit card."

In addition, pet owners increasingly regard their pets as integral members of the family and, consequently, expect to provide them with the same quality and extent of care that they themselves receive. Advances in veterinary medicine now make it possible for these furry family members to receive care on par with their human counterparts.

"Pet owners can get an MRI for their pets, or radiation therapy for cancer, or sophisticated orthopedic procedures like hip replacement. But, by virtue of the fact that capabilities have gone up, so does the cost of veterinary medicine, resulting in a greater need for insurance," adds Dr. Beaumont.

It is important for pet owners to keep in mind that pet insurance is a way to manage risk. As is the case with other forms of insurance, many people will not make back what they pay in premiums.

"The purpose of pet insurance is to cover you for a catastrophic event that you cannot otherwise dig into your back pocket to pay for," says Beaumont.

Without pet insurance to help cover costs of life-saving procedures, "economic euthanasia" becomes a major issue.

"Often times you'll hear of veterinarians presenting treatment plan A to pet owners, but for economic reasons, they are forced to move on to plan B or C, which come with lesser levels of desirability for the pet," adds Beaumont. "Ultimately, the conversation might revolve around euthanasia based solely on cost."

Thankfully, in Michelle Cammarota's case, that was not the outcome. "I love the doctors at Penn Vet and I trust them immensely," she said. "I knew that whatever they recommended was the best course of action to potentially save Elvis." And by renewing her pet insurance for the year, she was able to do so without going into major debt. But for many pet owners, the outcome isn't always so positive.

"Economic euthanasia is a long-term problem in veterinary medicine. In order for this to change," says Dr. Beaumont, "people need to realize the salience of pet insurance in their lives."

Hopefully stories like Elvis' will help change people's perceptions of the value of pet insurance. As more and more people have positive experiences with pet insurance, as Michelle did, others may follow suit in order to save the life of a beloved pet.

"I am an avid believer that pet insurance's time has come," concludes Beaumont, "and if taken up by pet owners, it will profoundly affect the health, welfare, and life expectancy of the next generation of pets, who, after all, cannot speak for themselves."

